TIMBER2026 WHITE PAPER

White paper under Title II, Article 4 of Regulation (EU) 2023/1114 of the European Parliament and of the Council on markets in crypto-assets ("**MiCAR**").

This crypto-asset white paper has not been approved by any competent authority in any Member State of the European Union. The offeror of the crypto-asset is solely responsible for the content of this crypto-asset white paper.

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01. Date of notification

2025-10-10

COMPLIANCE STATEMENTS

02. Statement in accordance with Article 6(3) of Regulation (EU) 2023/1114

This crypto-asset white paper has not been approved by any competent authority in any Member State of the European Union. The offeror of the crypto-asset is solely responsible for the content of this crypto-asset white paper.

03. Compliance statement in accordance with Article 6(6) of Regulation (EU) 2023/1114

This crypto-asset white paper complies with Title II of Regulation (EU) 2023/1114 of the European Parliament and of the Council and, to the best of the knowledge of the management body, the information presented in the crypto-asset white paper is fair, clear and not misleading and the crypto-asset white paper makes no omission likely to affect its import.

04. Statement in accordance with Article 6(5), points (a), (b), (c), of Regulation (EU) 2023/1114

The crypto-asset referred to in this crypto-asset white paper may lose its value in part or in full, may not always be transferable and may not be liquid.

05. Statement in accordance with Article 6(5), point (d), of Regulation (EU) 2023/1114

False.

06. Statement in accordance with Article 6(5), points (e) and (f), of Regulation (EU) 2023/1114

The crypto-asset referred to in this white paper is not covered by the investor compensation schemes under Directive 97/9/EC of the European Parliament and of the Council or the deposit guarantee schemes under Directive 2014/49/EU of the European Parliament and of the Council.

SUMMARY

07. Warning in accordance with Article 6(7), second subparagraph of Regulation (EU) 2023/1114

Warning: This summary should be read as an introduction to the crypto-asset white paper.

The prospective holder should base any decision to purchase this crypto –asset on the content of the crypto-asset white paper as a whole and not on the summary alone.

The offer to the public of this crypto-asset does not constitute an offer or solicitation to purchase financial instruments and any such offer or solicitation can be made only by means of a prospectus or other offer documents pursuant to the applicable national law.

This crypto-asset white paper does not constitute a prospectus as referred to in Regulation (EU) 2017/1129 of the European Parliament and of the Council or any other offer document pursuant to Union or national law.

08. Characteristics of the crypto-asset

TIMBER2026 referred to in this white paper is a crypto-asset to be classified as "crypto-assets other than asset-referenced tokens or e-money tokens" under Title II of MiCAR.

TIMBER2026 is built on the energy-efficient Fushuma blockchain. TIMBER2026 tokens represent the possibility, (not the guarantee) to redeem timber at various stages of processing by the cooperating providers on the TimberChain platform. Through a staking mechanism that digitally represents the industrial processing of timber, holders can temporarily lock their tokens to reflect specific processing services (such as sawing, drying, and specialized manufacturing like edge glued panels). Staked tokens remain illiquid until the lock-up ends and early release is not offered. Upon completion of the ordered processing service, the smart contract releases the initially locked tokens and issues an additional quantity of TIMBER2026 tokens representing the higher value of the processed wood. This additional issuance does not constitute interest, yield, or any form of financial income but reflects the physical transformation and value addition achieved through the real industrial process.

Tokens are freely transferable between compatible wallets, subject to ordinary network fees.

Redemption is initiated through the TimberChain platform by connecting a compatible wallet and submitting a redemption request. Redeemed tokens are burned and the platform instructs the selected supplier to prepare the timber, with hand-over expected in roughly ten working days to allow for logistics. The transaction is done between the holder and the supplier - the issuer and operator of the platform does not own the wood itself. Redemption depends entirely on the availability of timber from cooperating suppliers. The offeror does not guarantee fulfilment and tokens are not directly backed 1:1 by timber. However, the offeror engages to use a portion of the profit from sold tokens to reserve sufficient volume of timber by different suppliers.

Purchasers must complete KYC/AML, ensure local law allows participation, and bear their own network fees as well as any storage, handling, transport, customs, VAT and similar charges once timber is ready for collection.

Retail buyers have a 14-day right of withdrawal from the purchase agreement; refunds are made using the original payment method after a withdrawal request is sent to the issuer's support.

The issuer may amend holders' rights and obligations as the project develops. Any change will be announced via an amended white paper and on the platform at least 30 days before taking effect. If a holder disagrees, they may terminate their participation before the effective date using the offeror's prescribed notice process and by returning their tokens to the address specified in that notice, after which compensation is paid using the same payment means; failure to return tokens renders the termination invalid.

09. Information about the quality and quantity of goods or services to which the utility tokens give access and restrictions on the transferability

Not applicable.

10. Key information about the offer to the public or admission to trading

TIMBER2026 will be offered to the public exclusively through the TimberChain platform operated by the offeror.

There are no minimum and maximum target subscription goals.

The issue price of TIMBER2026 will be 0,3 USD for 1 $TBR26.

There are no subscription fees.

Total number of crypto-assets to be offered is not limited.

The public offer includes several early purchase phases prior to the main public sale. These phases offer significant effective discounts in the form of bonus tokens to early participants. The bonus percentage decreases as the offer progresses.

For a detailed breakdown of each phase, including dates, allocations, and specific bonus structures, please refer to section E.18.

The offer is open to participants worldwide who successfully complete the TimberChain KYC/AML process. No minimum investment is required. Participation is subject to the following restrictions:

(i) natural persons must have full legal capacity, and legal entities must be duly incorporated and in continuous existence,
(ii) participants must not appear on EU or UN sanctions lists, and
(iii) participants must not be resident in jurisdictions where token sales are prohibited under applicable law.

PART A: INFORMATION ABOUT THE OFFEROR OR THE PERSON SEEKING ADMISSION TO TRADING

A.1 Name

TimberChain s.r.o.

A.2 Legal form

Limited liability company (společnost s ručením omezeným) under the law of the Czech Republic.

A.3 Registered address and head office, where different

CZ, Tržiště 372/1, Malá Strana, 118 00 Praha 1.

A.4 Head office

CZ, Tržiště 372/1, Malá Strana, 118 00 Praha 1.

A.5 Registration date

2023-09-25

A.6 Legal entity identifier

Not applicable.

A.7 Another identifier required pursuant to applicable national law

Business Identification Number (IČO): 197 58 065.

A.8 Contact telephone number

00 420 731 471 322

A.9 Email address

info@timberchain.io.

A.10 Response time (Days)

7

A.11 Parent company

HBR WELD s.r.o.

A.12 Members of the management body

Radek Hubert, having his address at Pražská 141, 331 44 Kožlany, Czech Republic as the sole member of the board of directors.

A.13 Business activity

The provider's business activity involves issuing a cryptocurrency (TIMBER token) to implement the project described in this whitepaper. The TimberChain project focuses on

tokenizing real-world assets within the timber and forestry industry. From the start of the sale, the physical timber assets can be redeemed using TIMBER tokens.

The TIMBER token provides a direct, verifiable link to a tangible real-world asset. By creating a transparent digital marketplace, TimberChain makes this traditionally illiquid market more efficient and accessible to a wider range of participants, from suppliers to global investors.

A.14 Parent company business activity

The current activity of the parent company is strictly limited to the administration of assets and property, particularly the overall management and oversight of the TimberChain project.

A.15 Newly established

True.

A.16 The financial condition for the past three years

Not applicable.

A.17 The financial condition since registration

The offeror was established in 2023 as a ready-made company. The same year, its sole shareholder has fully paid the registered capital in the amount of CZK 200,000. Since its foundation, the offeror has not performed any activity, which is also visible in its financial statements for 2023 and 2024. From the publicly available financial statements for the years 2023 and 2024, it follows that the company's net turnover for both accounting periods was CZK 0.

Liabilities in both accounting periods were represented by equity consisting of fully paid-up registered capital in the amount of CZK 200,000.

Assets in the total amount of CZK 200,000 were represented by current assets in the form of other short-term financial assets.

PART B: INFORMATION ABOUT THE ISSUER, IF DIFFERENT FROM THE OFFEROR OR PERSON SEEKING ADMISSION TO TRADING

Not applicable for this Whitepaper.

PART C: INFORMATION ABOUT THE OPERATOR OF THE TRADING PLATFORM IN CASES WHERE IT DRAWS UP THE CRYPTO-ASSET WHITE PAPER

Not applicable for this Whitepaper.

PART D: INFORMATION ABOUT THE CRYPTO-ASSET PROJECT

D.1 Crypto-asset project name

TimberChain.

D.2 Crypto- assets name

TIMBER2026.

D.3 Abbreviation

$TBR26.

D.4 Crypto-asset project description

TimberChain provides blockchain tokenization for wood assets, enabling new funding channels for the industry. Users can trade these TIMBER2026 tokens or stake them to place on-chain work orders for real-world processing services (e.g., sawing, drying, panel production), which may result in additional tokens that reflect the higher value of the processed form of wood and are not a financial yield that reflect the appreciation of the timber's value during processing cycles. Token-denominated price lists for each supplier are published on the platform, with prices stated per 1 m^3 in tokens and fixed for five (5) years from publication for the TIMBER2026 vintage.

The TimberChain platform brings together diverse stakeholders — wood suppliers, processors, investors, and end-users, creating a more efficient, transparent, and accessible timber market that benefits the entire ecosystem. The offeror enters into contracts with suppliers and processors to fix the published token price lists and service catalogues applicable to TIMBER2026

The primary utility of TIMBER2026 tokens is their possible redeemability under fixed token-denominated price lists for physical timber at various stages of processing. TIMBER2026 tokens serve as the medium of exchange within the TimberChain platform. Users can stake their TIMBER2026 tokens by selecting specific processing stages (sawing, drying, panel production); "staking" time-locks tokens for the exact real-world processing duration and functions as a digital order for industrial services, after which additional tokens may be credited to reflect value-added processing (this is not interest or a financial return)..

When tokens are redeemed for physical timber, they are burned. Redemption triggers a delivery instruction to the selected supplier under the offeror–supplier contract, and the offeror settles the supplier invoice according to the pre-agreed TIMBER2026 price schedule. The offeror stands as an intermediate for the purchase of the timber between the token-holder and the supplier. Token price lists are fixed for five (5) years from publication for TIMBER2026; however, availability of specific species or grades may vary over time. If tokens are not redeemed within five (5) years from the relevant price-list publication date, the fixed-price guarantee and delivery commitment lapse.

TimberChain tokenizes various wood species with different characteristics and market values, including:

- Oak: Known for its strength, durability, and distinctive grain. Widely used in furniture, flooring, and construction.
- Beech: A versatile hardwood used for furniture, flooring, and various woodenware.
- Ash: Valued for its toughness and elasticity, used in sports equipment, tool handles, and furniture.
- Future wood types: The platform will progressively add more species as the network of partner providers grows, potentially including:
    - Pine: Softwood widely used in construction and paper production.
    - Maple: Hardwood valued for furniture and flooring.
    - Walnut: Premium hardwood for fine furniture and cabinetry.
    - Cherry: Decorative hardwood with rich color for furniture and millwork.
    - Exotic Woods: To be added based on sustainable sourcing and market demand.

The offeror curates these catalogues from supplier price lists and applies a platform margin representing the offeror's commercial profit.

Processing requirements vary for each species; this affects drying time and applications, and therefore value. These differences are reflected in (i) token-denominated price lists for redemption and (ii) staking lock durations and post-processing token adjustments that mirror real processing times and value-added outcomes..

> *All values and price lists are derived directly from data supplied by wood suppliers and wood processing providers. All staking coefficients are provided by processing partners and disclosed on the platform alongside expected processing timelines*.

Other characteristics considered include density, moisture content, hardness, and grain structure. These factors influence processing costs, timelines, and the final value of timber products, which are incorporated into the platform's economic model. Staking lock periods equal the real-world processing duration; tokens remain under the holder's control and are programmatically time-locked (non-custodial).

Timber undergoes multiple processing stages that add significant value: roundwood delivery, sawing, drying, and manufacturing of products. Each stage incurs specific costs and time requirements, reflected in token staking and redeeming under the published token price lists and processing catalogues for TIMBER2026.

The staking mechanism reflects the timber processing lifecycle, where users lock TIMBER2026 tokens in smart contracts for the exact real-world processing times. Upon completion, the smart contract releases the original tokens and credits additional tokens that represent the contractual value increase attributable to the ordered processing service. These additional tokens are not interest or a financial return. Any multipliers/coefficients are partner-provided, process-specific, and disclosed as illustrative ranges only.. Additional tokens earned through staking represent the increased value of processed timber compared to its previous state. After completion, the holder may redeem the resulting token balance against any listed species/form then available on the platform, subject to availability.

The wood suppliers and processors have their own table on the quantity and type of wood available including specification of redeeming tiers and token-denominated price lists that are fixed for five (5) years from publication on TimberChain platform; these tiers are calibrated based on processing costs, time, and market value addition as provided by partners. The offeror uses a portion of token sale proceeds to reserve relevant volumes and continuously calibrates reservations by species and processing form to support broad availability, while not guaranteeing that every type remains available throughout the five-year period. If redemption does not occur within five (5) years from the applicable price-list publication date, the fixed-price guarantee and delivery commitment expire. The offeror may offer optional conversion of TIMBER2026 into later vintages (e.g., TIMBER2027) subject to published rules and adjustment coefficients reflecting inter-vintage price bases.

D.5 Details of all natural or legal persons involved in the implementation of the crypto-asset project

TimberChain s.r.o., with registered office at Tržiště 372/1, Malá Strana, 118 00 Praha 1, Czech Republic (as the offeror and issuer of TIMBER2026 tokens)

All development of the token or the platform development is done via transparent and public grants, where any developer can apply for a grant and if approved by the team and community can start working on the development.

Github link: https://github.com/Fushuma/Dev_grants.

D.6 Utility Token Classification

False.

D.7 Key features of Goods/Services for Utility Token Projects

Not applicable (not classified as a utility token)

D.8 Plans for the token

The TimberChain platform will be developed and deployed according to the following timeline:

2025: Foundation Phase

- Whitepaper publication.
- Platform architecture and smart contract development.
- Team reveal.
- First partnerships with timber suppliers and processors.
- Initial capital raising through ICO.

2026: Launch Phase

- Initial Oak timber offerings.
- Basic staking functionality.
- Redeeming system for physical timber.

2026-2027: Expansion Phase

- Addition of new wood types beyond Oak.
- Enhanced staking options.
- Expanded network of suppliers and processors.
- Geographic expansion of operations.

2027-2028: Maturation Phase

- Introduction of governance features.
- Integration with the broader DeFi ecosystem.
- Enhanced analytics and reporting tools.
- Derivative products and services.

Technical Milestones:

- Completion of smart contract development and audits.
- Launch of the staking mechanism.
- Implementation of the redeeming system.

Business Milestones:

- Onboarding of initial timber suppliers and processors.
- First successful token issuance.
- Achievement of the target trading volume.
- Expansion to multiple wood species.
- Establishment of key strategic partnerships.

Market Milestones:

- Reaching the target user base.
- Achieving a significant total timber volume tokenized.
- Expanding to multiple geographic regions.
- Securing institutional participation.
- Demonstrating measurable impact on timber market efficiency.

D.9 Resource allocation

Funding will be allocated to partnership investments, payments to wood providers and storage facility partners, and the cost of listing on trading platforms and crypto wallets.

Additionally, resources will be dedicated to market making, conference presence, marketing activities, and ongoing software development.

D.10 Planned use of Collected funds or crypto-Assets

Usage	**What it covers**	**Share of funds**
Timber reservation and wood providers payments	Reservation fees for the physical wood and payments for the timber collected by holders.	~ 45 %
Platform & tech	Building the TimberChain software, smart contracts, server hosting, and the barcode.	~ 15%
Listings & liquidity	Listing fees and other costs and at least one EU-licensed exchange	~15%
Legal & operations	MiCAR filings, audits, KYC/AML provider fees, basic team and office costs	~ 10 %
Marketing and partners	Recognition of the company and its activities.	~ 15%

PART E: INFORMATION ABOUT THE OFFER TO THE PUBLIC OF CRYPTO-ASSETS OR THEIR ADMISSION TO TRADING

E.1 Public offering or admission to trading

OTPC.

E.2 Reasons for public offer or admission to trading

The offeror wishes to offer the TIMBER2026 tokens to the public to empower the timber industry with:

- New demand and buyer access. By offering timber on an online platform, the market can attract entirely new participants and buyers, which can revitalize and streamline the entire timber trade.
- Aligned incentives across the supply chain. Smart contracts release funds or enable redemption only when operators confirm each processing step (S-stages leading to T-stages), reducing material losses typical of conventional factories and preventing illicit timber substitutions.
- A channel for climate-smart capital to enter the forestry sector. Holders of TIMBER2026 tokens can access timber exposure 24/7, while small producers secure pre-harvest financing that traditional banks rarely provide for specific value-added processes.
- Access to various stages of processed timber, reflecting true value addition.

Using TIMBER2026 tokens brings together diverse stakeholders - wood suppliers, processors, and end-users, creating a more efficient, transparent, and accessible timber market that benefits the entire ecosystem.

E.3 Fundraising target

Not applicable.

E.4 Minimum subscription goals

Not applicable.

E.5 Maximum subscription goals

Not applicable.

E.6 Oversubscription acceptance

Not applicable.

E.7 Oversubscription allocation

Not Applicable.

E.8 Issue price

The issue price per token is 0.3 USD.

E.9 Official currency or any other crypto-assets determining the issue price

USDC, FUMA (Fushuma chain native coin).

E.10 Subscription fee

Not Applicable.

E.11 Offer price determination method

The offer price is determined unilaterally by the offeror and corresponds to 0,3 USD for 1 $TBR26.

E.12 Total number of offered/traded crypto-assets

Not applicable.

There is no limited total number of TIMBER2026 tokens to be offered to the public.

E.13 Targeted holders

ALL

E.14 Holder restrictions

The offer is open to participants worldwide who successfully complete the TimberChain KYC/AML process. No minimum investment is required. Participation is subject to the following restrictions:

(i) natural persons must have full legal capacity, and legal entities must be duly incorporated and in continuous existence,
(ii) participants must not appear on EU or UN sanctions lists, and
(iii) participants must not be resident in jurisdictions where token sales are prohibited under applicable law.

E.15 Reimbursement notice

Purchasers participating in the offer to the public of crypto-asset will be able to be reimbursed if the minimum target subscription goal is not reached at the end of the offer to the public, if they exercise the right to withdrawal provided for in Article 13 of Regulation (EU) 2023/1114 of the European Parliament and of the Council or if the offer is cancelled.

E.16 Refund mechanism

The buyers can cancel any purchase within 14 calendar days from the purchase.

How: Send a withdrawal request at support@timberchain.io.

E.17 Refund timeline

Refund timing: escrow smart-contract sends back the exact amount (EUR / USDC / FUMA) to the original wallet or IBAN within 24 h; bank wires reach the account ≤ 14 days, no fees deducted.

Offer cancellation: if the sale is aborted, the same contract auto-refunds everyone within 5 working days.

E.18 Offer phases

Phase	Dates*	Allocation	Token price	Reason of discount	Vesting
Sale Phase I (1st Presale)	Nov - Dec 2025	300k USD	**USD 0.3** (Bonus tokens 50 percents)	Rewards existing TimberChain community; provides liquidity before public round	12 months vesting Cliff 4 months
Sale Phase II **(2nd Presale)**	1 Jan - 28 Feb 2026	1M USD + for VC and Institutions we will allocate additional 2 M USD	**USD 0.3** (Bonus tokens 30 percents)	Rewards existing TimberChain community; provides liquidity before public round	24 months vesting Cliff 3 months
Sale Phase III **(Public sale)**	1 Mar - 2026	23 M USD + for VC and Institutions we will allocate additional 23,7 M USD	**USD 0.3** (reference price)	No discount	24 months vesting Cliff 2 months

* Indicative calendar: final opening & closing times will be posted on https://timberchain.io.

E.19 Early purchase discount

As mentioned in point E.18 above.

E.20 Time-limited offer

False.

E.21 Subscription period beginning

Not applicable.

E.22 Subscription period end

Not applicable.

E.23 Safeguarding arrangements for offered funds /crypto-Assets

Not applicable.

E.24 Payment methods for crypto-assets purchase

The purchase price shall be paid in USDC and FUMA tokens.

E.25 Value transfer methods for reimbursement

Reimbursements are processed in the currency used for the investment. The same method will be used as for payment, see E.17.

E.26 Right of withdrawal

Retail holders shall have a period of 14 calendar days within which to withdraw from their agreement to purchase TIMBER tokens without incurring any fees or costs and without being required to give reasons. The period of withdrawal shall begin from the date of the agreement of the retail holder to purchase TIMBER tokens.

All payments received from a retail holder, including, if applicable, any charges, shall be reimbursed no later than 14 days from the date on which the offeror is informed of the retail holder's decision to withdraw from the agreement to purchase those crypto-assets. Such reimbursement shall be carried out using the same means of payment as that used by the retail holder for the initial transaction, unless the retail holder expressly agrees otherwise.

E.27 Transfer of purchased crypto-assets

- The buyer purchases the token via a compatible wallet.
- TIMBER2026 tokens are transferred to the buyer's wallet.
- Tokens remain non-transferable for the buyer's 14-day withdrawal period.

All allocations and unlock blocks are visible on-chain.

E.28 Transfer time schedule

Sale Phase I - 12 months vesting, Cliff 4 months.

Sale Phase II - 24 months vesting, Cliff 3 months.

Sale Phase III - 24 months vesting, Cliff 2 months.

VC and Institutions - Cliff 6 months, 24 months vesting

E.29 Purchaser's technical requirements that the purchaser is required to fulfil to hold the crypto-assets

- Web Wallet: any Fushuma-compatible wallet (e.g. MetaMask).
- Keys: The purchaser is in full control of the private key/seed phrase; no custodial option is provided.
- Gas: Keep at least 100 FUMA to cover future transfer or redemption fees.
- Connectivity: standard internet connection; no special hardware beyond a smartphone or desktop.

E.30 Crypto-asset service (CASP) name

Not applicable.

E.31 CASP identifier

Not applicable.

E.32 Placement form

Not applicable.

E.33 Trading platforms name

Not applicable.

E.34 Trading platforms

Market identifier code (MIC)

Not applicable.

E.35 Trading platforms access

Not applicable.

E.36 Involved costs

Not applicable.

E.37 Offer expenses

Expense	**Purpose**	
Legal & MiCAR filing	White-paper drafting, CNB notification, KYC/AML provider	**~ € 120 k**
Smart-contract & security audits	Code review + penetration test	**~ € 80 k**

Marketing & community	Sale portal, content, AMAs, referral rewards	**~ € 200 k**
Escrow, payment rails, admin	Bank escrow fees, multi-sig set-up, accounting	**~ € 50 k**

E.38 Conflicts of interest

Not applicable.

E.39 Applicable law

Czech Republic.

E.40 Competent court

Courts of the Czech Republic.

PART F: INFORMATION ABOUT THE CRYPTO-ASSETS

F.1 Crypto-asset type

TIMBER2026 token is a crypto-asset to be classified as "crypto-assets other than asset-referenced tokens or e-money tokens" under Title II of MiCAR.

F.2 Crypto-asset functionality

TIMBER2026 token can be redeemed for physical timber at various stages of processing. TIMBER2026 tokens serve as the medium of exchange within the TimberChain platform.

TIMBER2026 tokens are freely transferable between users, subject to payment of transaction fees on Fushuma Blockchain.

TIMBER2026 tokens are crypto-assets other than asset-referenced tokens or e-money tokens" under Title II of MiCAR, which are available on the Fushuma blockchain. The tokens are fully fungible.

- **Redeemable:** Holders may request burning tokens to collect timber.
- **Staking feature**: Holders may lock their tokens during processing (30 days–2 years) to earn bonus tokens.

Free transferability: Peer-to-peer transfers on Fushuma, subject only to standard gas fees.

F.3 Planned Application of TIMBER2026 tokens Functionalities

Functionality	**Available at token sale (TGE)**	**Planned go-live**

Redemption for roundwood (T_1)	**Yes**	**–**
Redemption for processed wood (T_2 sawn, T_3 dried, T_4 edge-glued)	**No**	**Q2 2026, after first processing batches reach those stages**
Staking smart-contracts linked to processing cycles	**No**	**Q1 2026 beta → full release Q2 2026**
Governance voting (protocol upgrades, fee changes)	**No**	**Q4 2026**

F.4 Type of crypto-asset white paper

OTHR.

F.5 The type of submission

NEWT.

F.6 Crypto-asset characteristics

The TIMBER2026 tokens are crypto-assets other than asset-referenced tokens or e-money tokens" under Title II of MiCAR, which are available on the Fushuma blockchain. The tokens are fully fungible between them. TIMBER2026 functions as the medium of exchange on the TimberChain platform for timber redemption and for ordering processing services.

TIMBER2026 tokens represent the possibility (not the guarantee) to redeem timber at various stages of processing by the cooperating providers on the TimberChain platform. Redemption is conducted under supplier-specific price lists published on the platform and stated per 1 m^3 in tokens; these token-denominated prices are fixed for five (5) years from the relevant price-list publication for the TIMBER2026 vintage. Through a staking mechanism, holders place on-chain work orders for real-world processing services (e.g., sawing, drying, kiln drying, edge-glued panel production). Upon completion, smart contracts may credit additional tokens that represent the natural value appreciation that occurs during timber processing, including sawing, drying, and specialized manufacturing like edge glued panels. These additional tokens are not interest or a financial return; they are a contractual expression of the value added by the ordered industrial process. Staked tokens remain illiquid during the time-lock that equals the precise real-world processing duration and early release is not offered. Tokens remain in the holder's self-custody and are programmatically time-locked (non-custodial).

TIMBER2026 tokens are freely transferable between compatible wallets, subject to ordinary network fees. Transferability does not affect the five-year validity window of the applicable token price lists.

Redemption is initiated through the TimberChain platform by connecting a compatible wallet and submitting a redemption request. Redeemed tokens are burned and the platform instructs the selected supplier to prepare the timber, with hand-over expected in roughly ten working days to allow for logistics. On redemption, the offeror settles the supplier invoice in accordance with the pre-agreed offeror–supplier price schedule associated with the TIMBER2026 vintage. Redemption depends entirely on the availability of timber from cooperating suppliers. The offeror guarantees the token-denominated price lists for five (5) years from publication but does not guarantee continuous availability of specific species or grades; tokens are not directly backed 1:1 by timber, and fulfilment is subject to stock and logistics. If tokens are not redeemed within five (5) years from the applicable price-list publication date, the fixed-price guarantee and delivery commitment lapse. The offeror may offer optional conversion of TIMBER2026 into later vintages (e.g., TIMBER2027) subject to published rules and adjustment coefficients.

F.7 Commercial name or trading name

TimberChain

F.8 Website of the issuer

The website will be created by transparent public grant on https://github.com/Fushuma/Dev_grants

F.9 Starting date of offer to the public or admission to trading

2025-11-10

F.10 Publication date

2025-11-8

F.11 Any other services provided by the issuer

The only activity of the issuer is to serve as the offeror of TIMBER2026 and operator of the TimberChain platform.

The services related to the operation of the TimberChain platform are provided on the basis of a valid trade license for the provision of software, information technology consultancy, data processing, hosting, and related activities, in accordance with the Czech Trade Licensing Act (Act No. 455/1991 Coll.).

F.12 Language or languages of the crypto- asset white paper

English (EN).

F.13 Digital token identifier code used to uniquely identify the crypto-asset or each of the several crypto assets to which the white paper relates, where available

Not applicable.

F.14 Functionally fungible group digital token identifier, where available

Not applicable.

F.15 Voluntary data flag

False.

F.16 Personal data flag

False.

F.17 LEI eligibility

True.

F.18 Home Member State

Czech Republic.

F.19 Host Member States

Slovak Republic, Federal Republic of Germany, French Republic.

PART G: INFORMATION ON THE RIGHTS AND OBLIGATIONS ATTACHED TO THE CRYPTO-ASSETS

G.1 Purchaser rights and obligations

A TIMBER2026 token holder acquires, above all, a possibility to redeem physical timber by wood suppliers and processors presented at TimberChain platform. The redemption mechanics are governed by token-denominated price lists for TIMBER2026 published on the TimberChain platform for specific wood species and grades (the "Price Lists"). Each Price List states the timber price per 1 m^3 in tokens and, once published, remains fixed and unchanged for five (5) years from its publication date. The tokens can be held in a wallet, individually traded, or placed into staking.

The principal entitlement of the holder is the possibility to redeem tokens for physical timber at the token-denominated prices set out in the applicable price list for TIMBER2026, which are compiled by the offeror based on suppliers' price lists. When the holder submits an on-chain redemption request, the tokens are burned, and the platform instructs the selected cooperating wood supplier or processor for hand-over within roughly ten working days to allow for logistics and picking by the selected supplier / wood processor. The issuer and operator of the TimberChain platform does not own the offered timber. The offeror has framework agreements with cooperating suppliers under which

the suppliers undertake to deliver timber to the offeror's customers at the price list terms applicable to TIMBER2026; upon a valid redemption the offeror pays the supplier the contractually agreed consideration corresponding to the redeemed timber and instructs delivery to the holder. Tokens function as vouchers for timber at cooperating suppliers; they secure the token-denominated price but not the ongoing availability of any particular species, grade or quantity.

The Offeror expressly cautions that the redemption of tokens for physical timber is not guaranteed as to availability of specific species/grades or immediate delivery. The possibility of redemption is subject to the availability of sufficient timber from cooperating timber suppliers and processors at the time of the holder's redemption request. Should the project not succeed and should the platform fail to secure a sufficient number of cooperating suppliers and processors, it may not be possible to satisfy all redemption requests. The Offeror mitigates this risk by (i) sizing token issuances in view of contracted supplier volumes and (ii) using proceeds to reserve relevant timber volumes and continuously calibrating such reservations by species and processing stage. Full coverage can never be guaranteed, as tokens are not directly linked to or legally backed by identified timber stocks. The price list guarantee (fixed token price) and the offeror's purchase instruction mechanism apply for five (5) years from the publication of the relevant Price List. If the holder does not redeem within that period, the Price List guarantee and the delivery commitment lapse.] The offeror may, at its discretion and subject to terms published on the platform, offer holders a conversion of TIMBER2026 into a later token series (e.g., TIMBER2027). .

Tokens may also be staked—-locked in a smart contract that corresponds to a real-world production step. Lock-ups are about 30 days for sawing, six months to two years for the various drying options, and roughly six months for panel production. Staking represents an order for a specific timber-processing service (e.g., sawing, drying, panel production) with a cooperating processor at prices shown on the platform (based on processors' price lists). The holder pays the processing fee. For the duration corresponding to the real-world process, the staked tokens are programmatically time-locked in the smart contract (not transferred into custody). Upon completion, the smart contract automatically releases the original tokens and credits additional tokens reflecting the increased value of the processed timber. This increase is not interest or a financial return but a contractual adjustment mirroring real value added by processing. . During the lock-up the tokens are illiquid; early release is not offered.

These rights come with corresponding duties. The purchaser pays the acquisition price of the TIMBER2026 tokens. For any on-chain activity, holders are responsible for the Fushuma blockchain network fees (gas fees), and it is recommended they hold at least 100 FUMA which would cover several transactions. The exchange ratio between burned tokens and the monetary consideration paid by the offeror to the supplier upon

redemption corresponds to the purchase price agreed between the offeror and that supplier for timber reserved during the TIMBER2026 issuance period.

Costs related to timber storage and processing are reflected in the token-denominated prices in the price lists and, for processing services, in the processing price lists displayed on the platform.. The holder is responsible for all costs associated with the final physical delivery (e.g., transport) after a redemption is confirmed. The holder acknowledges that while the token-denominated price is fixed for the price list period, logistical lead times and supplier allocations may affect delivery timing and selection.

The holder must complete KYC/AML and ensure that possession or trading of the tokens is lawful in his or her jurisdiction. Once the timber is ready for collection, the holder bears the costs and risks of transport, customs, VAT and similar charges, whereas until that moment the wood is insured and subject to periodic stock and safety audits. The holder must also accept risks linked to price volatility, technology, and potential supply disruptions. For the avoidance of doubt, if a holder does not submit a valid redemption request within five (5) years from the publication of the applicable Price List, any Price List–based guarantee expires and redemptions thereafter—if offered—occur on the then-current terms and availability or via any conversion option that the offeror may make available.

G.2 Exercise of rights and obligations

Holders exercise their rights through the official TimberChain platform, accessible via the TimberChain website. To interact with the platform, a holder must connect a compatible crypto wallet.

The platform allows holders to initiate all functions, such as purchase of TIMBER2026 tokens, redeeming their TIMBER2026 tokens for physical wood, or staking tokens in smart contracts.

Each of these actions is executed as a secure transaction on the Fushuma blockchain, which the holder must personally approve and sign using their wallet.

The holder is responsible for any blockchain network fees (gas fees) required to process these transactions.

G.3 Conditions for modification of rights and obligations

The offeror reserves the right to amend these rights and obligations from time to time, particularly with the development of the project. In such a case, the offeror will inform the holders of TIMBER2026 token of such changes through amendments of this White Paper and through the TimberChain platform.

Any modification of rights and obligations related to TIMBER2026 tokens will be described in a modified version of this Whitepaper and notified to the competent authorities and

published on TimberChain platform no later than 30 days prior to the effective date of such amendment.

If the holder does not agree with the modification of rights and obligations, the holder shall be entitled, no later than by the effective date of the modification of rights and obligations, to terminate the obligations related to the TIMBER2026 tokens hold by the holder with effect as of the effective date of the modification of rights and obligations, by means of a written notice delivered to the offeror. When announcing the modification of rights and obligations, the offeror will also publish a form of termination notice to be submitted by the holders.

In the event of such termination, the holder shall be obliged to return the TIMBER2026 tokens hold at the moment of termination to the offeror's address mentioned in the termination notice form within 5 working days from the submission of the termination notice to the offeror. Subsequently, the offeror shall provide the holder with a compensation for returned TIMBER2026 tokens in an amount equal to 60% of the original price for which the holder verifiably purchased the returned tokens. It is clarified that any tokens acquired by the holder as a bonus, promotional reward, or airdrop are considered to have a purchase price of zero and are therefore not eligible for compensation.

Proof of purchase price will be required. For tokens where the original purchase price cannot be verified, the compensation will be a fixed amount equal to 40% of the initial public offer price of $0.30 USD per token.

Refunds will be processed using the same means of payment as the holder used to purchase the returned TIMBER2026 tokens. If the holder does not return the TIMBER2026 tokens, the termination notice will be deemed invalid.

G.4 Future public offers

Future offers will not follow a fixed calendar schedule. New TIMBER2026 tokens are minted dynamically, when a verified supplier informs the platform that it has increased its timber reserves.

G.5 Issuer retained crypto-assets

Not applicable.

G.6 Utility token classification

False.

G.7 Key features of goods/services of utility tokens

Not applicable.

G.8 Utility tokens redemption

Not applicable.

G.9 Non-trading request

False.

G.10 Crypto-assets purchase or sale modalities

TIMBER2026 tokens are freely transferable, they can be exchanged directly on a peer-to-peer (P2P) basis between compatible Fushuma wallets.

G.11 Crypto-assets transfer restrictions

No restrictions apply, except for conditions specified in E.14.

G.12 Supply adjustment protocols

False.

G.13 Supply adjustment mechanisms

Not applicable.

G.14 Token value protection schemes

False.

G.15 Token value protection schemes description

Not applicable.

G.16 Compensation schemes

False.

G.17 Compensation schemes description

Not applicable.

G.18 Applicable law

Czech Republic.

G.19 Competent court

Czech Republic.

PART H: INFORMATION ON THE UNDERLYING TECHNOLOGY

H.1 Distributed ledger technology (DTL)

TIMBER2026 is an **ERC-20 smart-contract (Solidity 0.8)** deployed on **Fushuma**, an EVM-compatible public layer 2 chain. Access uses standard **JSON-RPC/Web3**, **secp256k1** signatures and **Keccak-256** hashing; token-series metadata (species, grade, GPS) is referenced through **IPFS** links stored in the contract.

H.2 Protocols and technical standards

Fushuma operates as a zk-L2 (zero-knowledge Layer 2) blockchain built using Polygon CDK (Chain Development Kit), providing high scalability and security through zero-knowledge proofs. It supports Ethereum protocols for interoperability, including:

- **JSON-RPC and Web3 APIs**: For interacting with the network, enabling developers to use familiar tools like MetaMask or ethers.js for transaction submission and querying.
- **EVM Compatibility**: Fully compatible with the Ethereum Virtual Machine, allowing seamless deployment of Solidity smart contracts and execution of Ethereum opcodes.
- **zk-Proof Protocols**: Utilizes Polygon zkEVM for validity proofs, ensuring transaction batches are verified efficiently without revealing underlying data.
- **Settlement Protocol**: Transactions are batched and settled on the Callisto Network via checkpoints, leveraging Callisto's Proof-of-Work for external security.
- **Governance Protocols**: Implements community-driven governance with Exponential Bonding Curves (XBC) for treasury management and proposal voting, ensuring decentralized decision-making.

H.3 Protocols and technical standards

The TimberChain platform is engineered with a focus on security, reliability, and user experience, adhering to modern web and security standards.

- **Secure Communication Protocols:** All communication between the user's client and the TimberChain platform is encrypted using **Transport Layer Security (TLS) 1.3**. The platform enforces HTTPS across all services to protect data in transit from interception or tampering.
- **Web Application Security:** The platform is developed with the **OWASP Top 10** security risks in mind. Measures include input validation, parameterized queries to prevent SQL injection, and a strict **Content Security Policy (CSP)** to mitigate cross-site scripting (XSS) attacks.
- **API Standards:** The platform's backend services communicate via a **RESTful API**, using the **JSON** format for lightweight data exchange. All API endpoints require authentication to ensure that only authorized users and services can access or modify data.
- **Wallet Integration:** The platform integrates with user wallets by adhering to the **EIP-1193 standard**, ensuring compatibility with modern Ethereum-compatible wallets like MetaMask. This allows for secure and standardized transaction signing directly from the user's client.

Fushuma adheres to established blockchain technical standards to ensure compatibility, security, and efficiency:

- **Token Standards**: Supports ERC-20 for fungible tokens (e.g., TIMBER2026 and FUMA) and can extend to ERC-721/1155 for NFTs if needed.
- **Cryptographic Standards**: Uses secp256k1 elliptic curve for digital signatures and Keccak-256 (SHA-3 variant) for hashing, aligning with Ethereum standards.
- **Interoperability Standards**: Compatible with Polygon ecosystem tools, including bridges for asset transfers between layers, and custom sequencing for low-latency operations.
- **Performance Standards**: Achieves ~2-second block finality through Practical BFT consensus among validators, with zk-proofs ensuring scalability up to thousands of TPS while maintaining low gas fees (e.g., ~5 FUMA per TIMBER2026 transfer).

Fushuma blockchain is secured via synchronization to Polygon and Callisto Network blockchain. On the site of the eminent there is no reason to add any other security mechanisms as they are not needed.

H.4 Consensus mechanism

Fushuma validators run a **Practical BFT** protocol that finalises blocks in ≈ 2 seconds. Every 300 blocks a checkpoint hash is anchored to the Callisto Network Proof-of-Work main-chain, giving external security.

H.5 Incentive mechanisms and applicable fees

Validators earn (i) a **block-reward in FUMA** and (ii) **gas fees** paid by users; typical TIMBER2026 transfer costs ≈ 5 FUMA (less than €0.01). No additional network incentives are required; token-level staking rewards are handled by separate TimberChain contracts and do not affect base-layer security.

TIMBER2026 itself does not embed any fees or incentive mechanisms. The only costs are those associated with the underlying blockchain, comparable to transaction fees on the Bitcoin or Ethereum networks (But much cheaper)

H.6 Use of distributed ledger technology

True

H.7 DLT functionality description

Fushuma is a **public network run by independent validators**; the offeror does not control the ledger.

1. **Issuance.** A 3-of-5 multi-sig of the offeror mints tokens.
2. **Transfer / storage.** Tokens can be stored in any Fushuma wallet; users sign transfers, validators finalize them (~2 s), and balances update across the network.

3. **Redememing.** Holders call the REDEEM function and the smart contract automatically burn the tokens once the redemption is confirmed by the cooperating provider.

H.8 Audit

False

H.9 Audit outcome

Not applicable - The audit will be done via public grant on https://github.com/Fushuma/Dev_grants/issues/36

PART I: INFORMATION ON THE RISKS

I.1 Offer-related risks

1. Market-price and liquidity risk

TIMBER2026 token may lose its value in part or in full, may not always be transferable and may not be liquid.

2. Physical-asset risk

Because TIMBER2026 tokens relate to real timber stored in partner facilities, it is not possible to exclude affection by damage, theft, fire, pests, or quality degradation. The mitigation package combines full-value insurance, climate-controlled warehouses with continuous monitoring, periodic third-party stock audits and geographic distribution of depots to avoid single-point failure.

3. Operational and counterparty risk

The project relies on a network of independent loggers, saw-mills, kilns and panel manufacturers. Any participant could fail to perform, falsify data or become insolvent. Contractual milestones embedded in smart contracts, pre-onboarding due-diligence screening and legally enforceable performance covenants are used to curb such exposures.

4. Redemption and settlement risk

Even assuming the physical timber exists, converting tokens into wood is neither immediate nor friction-free. Each processing stage adds weeks to years of lock-up, logistics intervals of ~10 working days and fees for storage, handling and transport. During high-demand periods the platform could impose queues or partial fills. Token burning upon redemption is irreversible, so any shortfall or delay leaves the holder without either tokens or timber until the issue is resolved.

5. Regulatory and legal risk

TIMBER2026 tokens may constitute securities in certain jurisdictions outside the EU and the regulatory treatment in different countries all over the world may vary. Future changes to securities, commodities, environmental-credit or consumer-protection law could force the project to seek licences, restrict marketing, delist the token or unwind existing positions. Because the timber is harvested and stored across borders, multiple legal regimes—forest law, export controls, customs rules—may apply, increasing complexity and exposure to enforcement actions. The offeror engages in continuous legal monitoring and engagement with specialised counsel so the structure can be adapted promptly to new statutes or guidance.

6. Valuation model and fee risk

Staking rewards and redemption prices are calibrated by the offeror and its partners. If processing costs rise, if coefficients prove inaccurate, or if platform fees outpace the real wholesale price of wood, token economics could become uncompetitive, depressing secondary-market demand. The offeror is thus seeking to involve a wide range of partners to ensure sufficient competitiveness and accuracy.

I.2 Issuer-related risks

The following list sets out selected risk factors relating to the Issuer. This list is not exhaustive, and other risks, whether currently known or unknown, or currently considered immaterial, may also affect the Issuer's ability to meet its obligations in connection with the TIMBER2026 token. Holders should carefully consider all such risks before acquiring or holding the token.

1. Risk of incomplete settlement

In the event of the insolvency or liquidation of the Issuer, the Holder's claims may not be satisfied in full. The satisfaction of the Holder's claims will be governed by the applicable insolvency and liquidation legislation.

2. No insurance

No obligations of the Issuer or claims of the Holder in connection with the TIMBER2026 token are insured or otherwise secured, including against the termination of the Issuer's business, its bankruptcy, or any other enforcement by a private enforcement agent or by court.

3. Risk of non-completion of planned functionalities

The Issuer may fail to develop and implement all planned functionalities of the token, and the project may not reach its anticipated scope, features, or operational stage as originally intended. Such circumstances may adversely affect the value, usability, and overall purpose of the token.

4. Counterparty risk

The Issuer relies on various third-party partners and service providers essential to the development, operation, and maintenance of the TIMBER2026 token project. Loss of, or changes in, key partners, service providers, or other counterparties may disrupt operations, undermine market confidence, or result in project failure, which could lead to a total loss of value for token holders.

5. Legal and regulatory compliance risk

Cryptocurrencies and blockchain-based technologies operate within a rapidly evolving and diverse global regulatory environment. Changes in laws or regulations, or differences across jurisdictions, may require the Issuer to adapt its operations. Failure to comply with applicable legal or regulatory requirements may lead to investigations, enforcement actions, penalties, sanctions, prohibitions on trading, or private litigation. Any such measures could adversely affect the legality, market acceptance, value, or functionality of the TIMBER2026 token.

6. Operational risk

Inadequate or ineffective internal controls, or difficulties in implementing, maintaining, or improving such controls, could result in operational disruptions, financial losses, security breaches, or reputational harm, which may adversely affect the Issuer's business and the token's viability.

7. Competition risk

The TIMBER2026 token competes with numerous other crypto-asset projects that may offer similar or more advanced features. Increased competition could reduce demand for the TIMBER2026 token, limit market share, or negatively impact its value.

8. Governance and leadership risk

The strategic direction, decision-making, and long-term vision of the TIMBER2026 token depend on the Issuer's management team and governance structure. Any changes in leadership, internal governance arrangements, or misalignment between business goals and regulatory expectations could impair the Issuer's ability to execute its business plan and maintain market confidence.

I.3 Crypto-assets-related risks

1. Technology and cyber-security risk

All issuance, staking and redemption mechanics run on Fushuma-chain smart contracts. Consensus attacks or credential theft could compromise the ledger and therefore freeze

assets, misallocate rewards or enable theft. The offeror commissions independent code audits, applies formal verification to core functions, hardens infrastructure through penetration testing and requires multi-signature approval for upgrades, thereby shrinking the attack surface.

Other risks are also mentioned under point I.1 above.

I.4 Project implementation-related risks

1. Reliance on Partners

The project's viability depends on securing and retaining third-party timber suppliers. Any failure in this network could disrupt the supply of timber backing the tokens.

2. Roadmap Delays

Development of the platform and its key features may be delayed. Failure to meet published milestones could erode holder confidence and hinder project growth.

3. Low Market Adoption

The project's success requires significant user adoption. A failure to attract users and build a liquid market could render the platform and token unsustainable.

4. Operational Complexity

Integrating the digital platform with the physical logistics of the timber industry is challenging. Errors in tracking or managing physical assets could disrupt token redemptions.

I.5 Technology-related risks

Risk	**Impact**
Smart-contract bugs	Loss or unallowed minting of tokens
Validator attack/chain fork	frozen transfers
Key compromise (issuer wallet)	Unauthorised mint or burn

Network downtime	Delayed transfers/redeeming
Bridge/RPC exploit	Theft via cross-chain or endpoint hack
Platform Security	DDoS, other cybersecurity related risks

I.6 Mitigation measures

Risk	Mitigation measure
Smart-contract bugs	Independent code audit + formal verification; upgradable only via 3-of-5 multi-sig with 48 h timelock
Validator attack/chain fork	Fushuma uses Practical-BFT finality + checkpoints to Callisto PoW, making deep forks economically costly
Key compromise (issuer wallet)	Hardware HSM, multi-sig (3-of-5) for all privileged actions, 24/7 treasury address monitoring
Network downtime	Fail-over RPC endpoints; redemption processed off-chain if outage > 48 h
Bridge/RPC exploit	Only the canonical Fushuma bridge allowed; endpoint rate-limits + WAF; annual penetration test
Multisig for securing all funds	The emitent implements multisig wallet where multiple people need to sign transaction. This protects funds from having one point of failure and protects funds from unauthorised access or hackers.

Woodprovider risks	To avoid depending on one wood provider or wood processor we will actively work on securing more wood providers and processors. We will secure the Czech Republic first . Providers and then create a team that will work on securing other wood providers and processors in other countries.
Limited wood offering	We will work on increasing different wood types and even exotic wood types from Africa or other countries to provide our users variety and options to choose.
IT providers risk	We will mitigate risk of programmers and bad IT providers by having public grants and fully transparent audits on github.
Platform Security	Cloudfare for DDoS protection and secured website with “cybersecurity” best practices implemented
Key compromise (issuer wallet)	Multi-signature wallet with HW wallet for each authorized person
Personnel Risks	access controls, background checks of key personnel, specially the owners of the HW wallets

PART J: INFORMATION ON THE SUSTAINABILITY INDICATORS IN RELATION TO ADVERSE IMPACT ON THE CLIMATE AND OTHER ENVIRONMENT-RELATED ADVERSE IMPACTS

J.1 Adverse impacts on climate and other environment-related adverse impacts

The project's environmental footprint comes from two areas:

Blockchain Technology: The TIMBER2026 token runs on the Fushuma blockchain, which uses an energy-efficient consensus mechanism. Its direct climate impact is low compared to high-energy Proof-of-Work networks.

Timber Industry: To mitigate environmental risks from the timber industry, including deforestation and carbon emissions, we are committed to sourcing timber primarily from suppliers with recognized sustainability certifications.

S.1 Name

TimberChain s.r.o.

S.2 Relevant legal entity identifier

19758065 (Business Identification Number under Czech law – IČO).

S.3 Name of the crypto-asset

TIMBER2026.

S.4 Consensus Mechanism

Fushuma validators run a **Practical BFT** protocol that finalises blocks in ≈ 2 seconds. Every 300 blocks, a checkpoint hash is anchored to the Callisto Network Proof-of-Work L1 chain, providing external security.

S.5 Incentive Mechanisms and Applicable Fees

Validators earn (i) a **block reward in FUMA** and (ii) **gas fees** paid by users; a typical TIMBER transfer costs ≈ 5 FUMA (less than €0.01). No additional network incentives are required; token-level staking rewards are handled by separate TimberChain contracts and do not affect base-layer security.

S.6 Beginning of the period to which the disclosed information relates

2025-02-15.

S.7 End of the period to which the disclosed information relates

2025-08-15.

1. **Mandatory key indicator on energy consumption**

S.8 Energy consumption

Annual energy usage is 8,600 kWh (based on disclosed data for a calendar year). This covers transaction validation and ledger integrity maintenance. The low figure stems from PBFT's efficiency, which avoids energy-intensive mining, and limited checkpointing to Callisto Network Layer 1.

2. **Sources and methodologies**

S.9 Sources and methodologies

Blockchain	Consensus Mechanism	Annual Energy Consumption (kWh)	Block Finality Time	Notes
Fushuma	PBFT with PoW checkpointing	8,600	~2 seconds	Custom L2 based on Polygon CDK; minimal energy consumption due to low validator

Blockchain	Consensus Mechanism	Annual Energy Consumption (kWh)	Block Finality Time	Notes
				count and efficient protocol.
Bitcoin	Proof-of-Work	182,300,000,000 (182.3 TWh)	~10 minutes (1 block), ~1 hour (finality)	High energy for security; comparable to Thailand's national consumption.
Ethereum (post-Merge)	Proof-of-Stake	~2,570,000 (0.00257 TWh)	~12 seconds	99.95% reduction from pre-Merge; still higher than Fushuma due to larger network.
Polygon (PoS)	Proof-of-Stake	~121,000	~2-3 seconds	Similar to Fushuma; Fushuma's lower energy consumption reflects its specialized, smaller-scale deployment.

Fushuma's energy efficiency is orders of magnitude better than PoW chains like Bitcoin and competitive with PoS leaders like Ethereum and Polygon, making it suitable for eco-conscious applications.

Fushuma's consensus is highly efficient, balancing speed (2-second finality), low costs (<€0.01 per transfer), and minimal energy use (8,600 kWh/year). Its PBFT core with Callisto checkpointing provides robust security at a fraction of traditional blockchain resource demands, ideal for sustainable decentralized systems.